

EXHIBIT 139

FAX TRANSMISSION

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To: Bob Niemann
Larry Reed
HCFA

Date: April 27, 1999

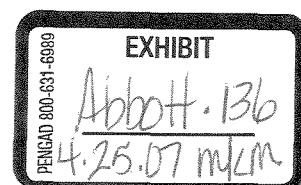
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Pages: 4, including this cover sheet.

From: Mary E. Riordan
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COMMENTS:

Bob and Larry - Attached is the letter from Pete Stark that I mentioned to each of you.
Bob, I will send the other information by separate fax. Thanks! Mary



UNITED STATES DEPARTMENT OF JUSTICE
CIVIL DIVISION
COMMERCIAL LITIGATION BRANCH
CIVIL FRAUD SECTION

FACSIMILE TRANSMISSION RECORD

DATE: April 26, 1999
FAX NO.: (202) 205-0604
TO: Mary Riordan
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FROM: T Reed Stephens



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NOTE:

Letter from Congressman Stark to HQFA
administrator last week. Stark is not aware
of the xxi form but apparently is aware of our
contacts with First DataBank. TRS

PAGES:

3
(Including this cover sheet)

HHC001-0745

The Honorable Nancy-Ann Min DeParle
April 20, 1999
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falsely inflated in order to cause the Medicare and Medicaid programs to pay exorbitant reimbursement in excess of that provided by law. I have also been advised that the State Medicaid Agencies look to HCFA for approval of their prescription drug reimbursement plans and, accordingly, have sought HCFA's approval of their proposed use of the more accurate prices as part of their prescription drug reimbursement plans.

I am disappointed to learn that HCFA has not yet provided the States' Medicaid programs with written guidance that will facilitate the receipt and use of more accurate and truthful prices, rather than the falsely inflated prices, in estimating acquisition costs for reimbursement purposes. This long overdue correction should save Medicaid and Medicare hundreds of millions of dollars and go a long way toward insuring that scarce health care dollars are efficiently used to provide the programs' beneficiaries with the care that they need. As I understand it, every day we delay wastes more money. It will also be of great help to the Joint Enforcement Team's efforts to put an end to the unreasonably high reimbursement for the drugs that have been the subject of this gross price manipulation and gouging of the federal programs that you supervise.

I strongly urge you to provide the written direction to the State Medicaid Programs to facilitate the rapid implementation of the Joint Enforcement Team's recommendation to use the First Data Bank prices. I also urge you to provide similar guidance to the Medicare carriers.

In the event that you believe that a more formal inquiry by Congress will facilitate a resolution to this very serious problem, please let me know. Your attention and action is vital in stopping this hemorrhage of Medicare and Medicaid program dollars.

Thank you for your help.

Sincerely,



Pete Stark
Ranking Democrat

FPS/vj